

Message Text

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ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 ISO-00 AEC-11

AID-20 CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 FEA-02

FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01

PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSY-11

DLOS-07 PA-04 PRS-01 USIA-15 /238 R

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COMMERCE/OEA - MR. KANN

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FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

AMEMBASSY KINGSTON

AMEMBASSY LONDON

AMEMBASSY TOKYO

AMEMBASSY LAGOS

AMCONSUL CURACAO

AMEMBASSY THE HAGUE

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY MEXICO

AMEMBASSY NASSAU

AMEMBASSY LA PAZ

AMEMBASSY NEW DELHI

AMEMBASSY SINGAPORE

AMEMBASSY QUITO

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY PARIS

AMEMBASSY VIENNA

AMEMBASSY CANBERRA

AMEMBASSY CAIRO

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AMEMBASSY PRETORIA

AMEMBASSY JIDDA
AMEMBASSY PANAMA
AMEMBASSY LISBON
AMEMBASSY CARACAS
AMEMBASSY LIMA
AMEMBASSY WARSAW
AMEMBASSY MADRID
AMEMBASSY ATHENS
AMEMBASSY MANILA
AMEMBASSY BERN
AMEMBASSY WELLINGTON
AMEMBASSY GUATEMALA
AMEMBASSY SANTIAGO
AMEMBASSY COPENHAGEN
AMEMBASSY BUENOS AIRES
AMEMBASSY TEGUCIGALPA
AMEMBASSY STOCKHOLM
AMEMBASSY TEL AVIV
AMEMBASSY DUBLIN
USINT ALGIERS
AMEMBASSY HELSINKI
AMEMBASSY BRIDGETOWN
AMEMBASSY LIBREVILLE
USMISSION OECD PARIS
USMISSION EC BRUSSELS
AMEMBASSY KINSHASA
INFO AMCONSUL LOURENCO MARQUES
AMCONSUL MARTINIQUE
AMEMBASSY SUVA
AMCONSUL HAMILTON
AMCONSUL PARAMARIBO

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E.O. 11652: N/A

TAGS: ENRG

SUBJECT: CONTINUATION OF US EXPORT QUOTAS ON PETROLEUM
PRODUCTS

REF: STATE 29288, STATE 14397

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1. DEPARTMENT OF COMMERCE ANNOUNCED APRIL 19, 1974, THAT
EXPORT QUOTAS FOR PETROLEUM PRODUCTS (OTHER THAN CRUDE OILS)
IN THE SECOND QUARTER, 1974, WILL REMAIN AT FIRST QUARTER
LEVELS. AT THE SAME TIME, COMMERCE ALSO ANNOUNCED CHANGES
IN THE BASE PERIOD FOR DETERMINING EXPORTERS' SHARES OF
THE COUNTRY QUOTAS FOR EXPORTS OF BUTANE, PROPANE, AND
NATURAL GAS LIQUIDS.

2. COMMERCE FURTHER ANNOUNCED A REVISION OF THE RULES CONCERNING CRUDE OIL NOT TECHNICALLY SUBJECT TO THE EXPORT RESTRICTIONS OF THE ALASKAN PIPELINE ACT BECAUSE NOT TRANSPORTED BY PIPELINE OVER FEDERAL RIGHTS-OF-WAY. IN THE FUTURE SUCH EXPORTS WILL BE LICENSED ONLY IF THEY MEET TWO CONDITIONS: (1) THEY WILL BE PROCESSED AND RETURNED TO THE UNITED STATES AS AN EQUAL OR LARGER QUANTITY OF IMPORTED PETROLEUM PRODUCTS; (2) THE EXPORTER HAS DEMONSTRATED THAT DUE TO CIRCUMSTANCES BEYOND HIS CONTROL HE COULD NOT DISPOSE OF SUCH CRUDE DOMESTICALLY WITHOUT INCURRING A SUBSTANTIAL ECONOMIC HARDSHIP. COMMERCE SECRETARY DENT STATED THAT THE NEW PROVISION FULLY

IMPLEMENTS THE CONGRESSIONAL INTENTION OF MAKING ALL UNITED STATES CRUDE SUBJECT TO EXPORT CONTROL EXPRESSED IN THE ALASKAN PIPELINE ACT AND THE EMERGENCY PETROLEUM ALLOCATION ACT. THE NEW PROVISION ALSO SUPPORTS THE EFFORTS OF THE FEDERAL ENERGY OFFICE, UNDER THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973, TO RAISE UTILIZATION OF DOMESTIC REFINERY CAPACITY TO OPTIMUM LEVELS.

3. EXPORTERS' SHARES OF THE COUNTRY QUOTAS FOR EXPORTS OF BUTANE, PROPANE, AND NATURAL GAS LIQUIDS IN THE SECOND QUARTER WILL BE DETERMINED USING APRIL 1, 1973 TO JUNE 30, 1973 AS THE BASE PERIOD INSTEAD OF THE BASE PERIOD JANUARY 1, 1971 THROUGH JUNE 30, 1973. THE REASON FOR ADOPTING THIS NEW BASE PERIOD IS THAT MANY EXPORTERS OF THESE PRODUCTS BEGAN EXPORTING AFTER JUNE 1972. THE PERIOD FROM JANUARY 1, 1971 THROUGH JUNE 30, 1973 REMAINS THE BASIS FOR SECOND QUARTER EXPORT QUOTAS OF ALL OTHER PETROLEUM PRODUCTS.

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4. STARTING WITH THE SECOND QUARTER, EXPORTERS OF CARBON BLACK FEEDSTOCK OILS WILL BE PERMITTED TO COMBINE INTO A SINGLE SHIPMENT TO ONE COUNTRY, TWO OR MORE OF THE VARIOUS INDIVIDUAL COUNTRY QUOTAS THAT HAVE BEEN ALLOCATED TO THEM FOR A CALENDAR QUARTER. HOWEVER, AS A CONDITION TO LICENSING IN SUCH CASES, EXPORTERS WILL BE REQUIRED TO ASSURE THAT, ON AN ANNUAL BASIS, EACH AFFECTED COUNTRY WILL RECEIVE ITS HISTORIC SHARE OF THE EXPORTER'S SHIPMENTS. THIS NEW RULE WILL ALLOW EFFICIENT AND ECONOMICAL USE OF THE LARGE TANKERS IN WHICH CARBON BLACK FEEDSTOCK OILS ARE SHIPPED. QUOTAS FOR CARBON BLACK FEEDSTOCK OILS HAVE BEEN ADJUSTED FOR THE SECOND QUARTER AS A RESULT OF AN AUDIT OF EXPORTS DURING THE HISTORIC BASE PERIOD. ADJUSTED COUNTRY QUOTAS FOR GROUP H (SCHEDULE B. NO. 332.9160,

CARBON BLACK FEEDSTOCK OIL) ARE AS FOLLOWS:

COUNTRY QUOTA (BBL)

AUSTRALIA	152,380
BRAZIL	94,497
CANADA	211,235
FRANCE	151,937
HOLLAND	273,747
ISRAEL	1,727
ITALY	334,460
PHILIPPINES	28,899
SOUTH AFRICA	62,978
SPAIN	151,135
SWEDEN	28,427
UNITED KINGDOM	344,279
WEST GERMANY	8,199

5. AT THEIR DISCRETION, ADDRESSEE POSTS MAY DRAW ON ABOVE INFORMATION TO INFORM HOST GOVERNMENTS OF CONTINUATION US EXPORT QUOTA PROCEDURES. COUNTRY QUOTAS FOR SECOND QUARTER WILL REMAIN AT SAME LEVELS AS FIRST QUARTER (SEE REFTELS). DETAILS CONTAINED IN EXPORT ADMINISTRATION BULLETIN NO. 114 DATED APRIL 18, 1974 BEING POUCHED TO ALL POSTS. KISSINGER

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